



MAYOR'S OFFICE

City of Leominster, Massachusetts

CITY HALL - 25 WEST STREET
LEOMINSTER, MASSACHUSETTS 01453
www.leominster-ma.gov

DEAN J. MAZZARELLA

telephone (978) 534-7500 facsimile (978) 534-0668

May 23, 2011

To The Honorable City Council:

I hereby submit my Preliminary Fiscal Year 2012 Statutory Operating Budget Document for the General Fund, Water Department, and the Sewer Department.

The appropriation amounts can be summarized as follows:

General Fund Appropriations:	\$100,077,000
Water Fund Appropriations:	\$ 4,925,000
Sewer Fund Appropriations:	<u>\$ 3,775,000</u>
	\$108,777,000

The following is a summary of the Fiscal Year 2012 Statutory Budget by functional area:

Functional Area	FY2012	FY2011	FY2010	FY2009	FY2008
General Government	\$2,882,132.20	\$2,806,747.65	\$2,726,093.20	\$2,742,631.00	\$2,685,662.62
Public Safety	\$13,642,266.69	\$13,353,880.17	\$13,344,558.98	\$13,939,654.00	\$13,261,360.32
Education	\$61,586,442.00	\$59,445,871.00	\$58,709,723.00	\$59,609,723.00	\$45,430,328.00
Public Works	\$4,957,698.79	\$4,537,300.04	\$4,376,265.12	\$4,814,587.00	\$4,934,286.28
Human Services	\$806,063.00	\$761,463.57	\$646,226.00	\$682,559.00	\$683,376.00
Culture/Recreation	\$1,703,953.00	\$1,742,957.20	\$2,416,432.20	\$1,722,719.00	\$1,609,172.36
Debt Service	\$2,466,029.44	\$5,698,088.12	\$3,197,367.50	\$4,203,144.00	\$3,965,993.00
Miscellaneous	<u>\$12,032,414.88</u>	<u>\$11,875,883.25</u>	<u>\$14,588,016.60</u>	<u>\$11,484,983.00</u>	<u>\$19,325,821.42</u>
(Retirement & Insurance)					
Totals:	\$100,077,000.00	\$100,222,191.00	\$100,004,682.60	\$99,200,000.00	\$91,896,000.00

Please note the original FY 2011 General Fund Statutory Budget was adopted as \$97,674,565. Subsequent appropriations increased it to the current \$100,222,191 due to one time revenues. (\$2,408,871 MSBA Reimbursement; Recreation \$105,400; Personnel/Salary restoration of \$ 33,355.)

A discussion of the FY 2012 highlights for each area follows:

FY 2012 General Fund Operating Budget (Preliminary):

General Highlights:

The Fiscal Year 2012 General Fund Budget total of \$100,077,000 represents a \$325,000 decrease from the Fiscal Year 2011 Budget of \$100,222,191.

The FY 2012 Budget utilizes a Proposition 2 ½ tax increase (\$1,397,846).

The FY 2012 Budget also utilizes the Chapter 70 Joint Resolution increase of \$2,036,015.

The FY 2012 Budget also reflects State Aid reductions of \$3,470,775:

- \$3,001,915 in School Construction Aid
- \$118,848 in Charter School Reimbursements
- \$350,012 in Unrestricted General Government Aid

This budget anticipates cost savings being achieved due to wage freezes and overtime reductions. The Budget does however continue to reduce the reliance on “Free Cash” by increasing appropriations to several Public Safety, Public Works and Human Services budget areas to better reflect adopted service levels that have annually required funding supplements for the past several budget periods. This strengthening of the structural balance of the budget will more solidly position the City to better withstand adverse economic head winds that the City could experience during FY 2012 and for the future.

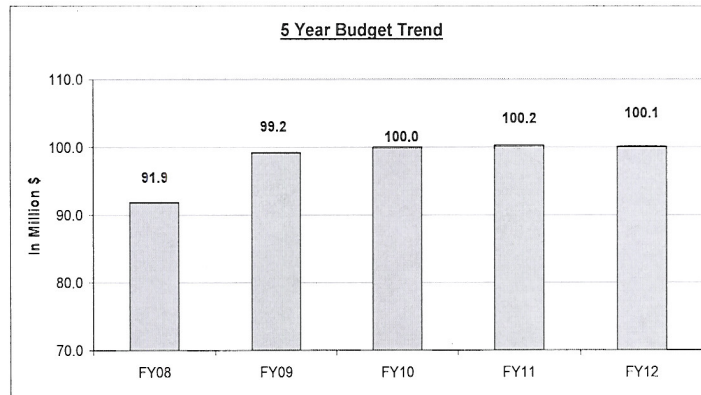
Appropriation FY 2012 increase amounts include:

- \$2,324,442 to School Department operating expenses.
- \$265,305 to School Choice Sending Tuitions.
- \$405,000 to the High School Renovation Project (\$130,000 increase).
- \$320,000 to City employee wage increases due to step increases and full Quinn Bill funding.
- \$250,000 to City Employee/Retiree benefit accounts.
- \$410,000 to miscellaneous Public Safety, Public Works and Human Service accounts.
- \$725,000 increase in the Water Department debt service.
- \$190,000 increase in the Sewer Department debt service.

Appropriation FY 2012 decrease amounts include:

- \$2,910,518.00 to Samoset School Debt Service (Debt Retired)
- \$295,437.50 to Gallagher District Court Debt Service (Debt Retired)

Budget Chart 1



All areas of the budget are subject to change as information becomes available as a basis for action. For instance, this budget is submitted utilizing the current health insurance arrangements. Any legislative changes adopted may require adjustments to this budget as submitted.

The department heads and I look forward to discussing and communicating with you and the public all of the services and programs that will be offered during the FY 2012 time period to our City residents.

Respectfully submitted,

Dean J. Mazzearella
Mayor